

ASSEMBLY BILL

No. 2237

Introduced by Assembly Member Eng

February 18, 2010

An act to add Section 1616 to the Civil Code, relating to contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2237, as introduced, Eng. Contracts: consideration.

Existing law requires that for a contract to be enforceable it be lawful, the parties have the capacity to contract and provide consent, and for sufficient consideration to be provided. Existing federal law provides that charitable contributions made to a tax-exempt charitable organization are tax deductible.

This bill would provide that a promise to make a gift, bequest, or devise of cash or other property to a tax-exempt charitable organization would be an enforceable contract without consideration, if the promisor indicated in writing an intent that the promise is a binding legal obligation.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1616 is added to the Civil Code, to read:
- 2 1616. A promise to make a gift, bequest, or devise of cash or
- 3 other property to an organization described in Section 501(c)(3)
- 4 of the Internal Revenue Code shall be contractually binding with

- 1 or without consideration if the promisor indicated in writing an
- 2 intent that the promise is a binding legal obligation.

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